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HR. 3662, ADOPTION TAX CREDIT REFUNDABILITY ACT OF 2023

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The Adoption Tax Credit helps children find permanent families by offsetting some of the costs of adoption, especially for children with special needs. The benefit is allowed once per adoption and includes a credit for qualified adoption expenses. In 2022, the maximum credit was \$14,890, with income phase outs between \$223,410 to \$263,410. The credit and phase-outs are indexed to inflation.

Currently, the tax credit disadvantages low- and middle-income families, in particular families with annual incomes between \$30,000 and \$50,000. In 2020, families earning between \$0-\$30,000 received no credit; families earning between \$30,000-\$50,000 on average used \$1,036 in 1 year (or \$6,216 over 6 years); families earning between \$50,000-\$100,000 on average used \$3,430 for one year (or \$14,890 over 5 years); and families earning between \$100,000-\$200,000 on average used \$8,332 (or \$14,890 in 2 years). This inequity is problematic given that approximately half of youth adopted from foster care live in families with incomes at or below 200% of the federal poverty level (which is about \$48,500 for a family of four); thus, the credit inadvertently creates barriers to permanency for a substantial number of families and for youth exiting care.

During the Great Recession, Congress made the Adoption Tax Credit refundable, recognizing that the economic hardship could prevent families or exact a heavy financial toll from choosing adoption. *The Adoption Tax Credit Refundability Act* would make the current tax credit fully refundable, as it was in 2010 and 2011. The bill improves current law so that more families can benefit and more waiting children can be adopted. Compared to youth who remain in foster care, adopted children experience much greater economic and social well-being. Additionally, families who adopt from foster care save the federal government thousands of dollars by getting children out of costly foster care and into permanent adoptive families. For each child adopted from foster care, research shows that approximately \$65,000-\$127,000 is saved. The bill also improves credit oversight by, when needed, having the IRS use a standardized third-party affidavit to verify the adoption, easing burdens on families and the IRS. The bill reflects common-sense federal policy—it strengthens families, removes income as a barrier to adoption, and helps vulnerable children join permanent, loving families.

The Adoption Tax Credit Refundability Act of 2023 is supported by 102 Member organizations of the Adoption Tax Credit Working Group (see reverse for list).

103 Member Organizations of the Adoption Tax Credit Working Group Support

NATIONAL AND REGIONAL ORGANIZATIONS

Academy of Adoption and Assisted Reproduction Attorneys*
 Adopt America Network*
 America World Adoption Association
 American Adoptions
 Center for Adoption Support and Education
 Christian Alliance for Orphans*
 Child Welfare League of America
 Congressional Coalition on Adoption Institute*
 Dave Thomas Foundation for Adoption*
 Family Centered Treatment Foundation
 Family Connections, Inc.
 Generations United
 Heart to Heart Adoptions, Inc.
 Holt International Children's Services
 Lifeline Children's Services, Inc.
 National Council for Adoption*
 National Center on Adoption and Permanency*
 National Down Syndrome Adoption Network
 National Foster Parent Association
 Nightlight Christian Adoptions
 North American Council on Adoptable Children*
 Northwest Adoption Exchange
 Northwest Resource Associates
 PACT, An Adoption Alliance
 Raise the Future
 RESOLVE: The National Infertility Association
 Show Hope*
 The Barker Adoption Foundation
 The Gladney Center
 Voice for Adoption*
 Wasatch International Adoptions
 Wide Horizons for Children, Inc.
 YATOM: The Jewish Foster & Adoption Network
 Youth Villages

STATE AND LOCAL ORGANIZATIONS

Alabama

Agape of Central Alabama, Inc.

Alaska

Alaska Center for Resource Families

Arizona

Building Arizona Families

California

Adopt International
 AdoptFund, Inc.
 Adoption Connection of Jewish Family & Children's Services
 Bal Jagat- Children's World Inc.
 Chrysalis House, Inc.
 Koinonia Family Services

Colorado

A Family in Bloom Adoption
 A Love Beyond Borders
 CCAI Adoption Services
 Colorado Coalition of Adoptive Families

District of Columbia

Family & Youth Initiative

Florida

Adoption by Shepherd Care
 Advocates for Children and Families, Inc.

Georgia

St. Nick's Kids, Inc.

Hawaii

A Family Tree

Illinois

Adoption Center of Illinois at Family Resource Center
 Bill's Tax Service of Centralia, LLC
 Lifesong for Orphans
 Lutheran Child and Family Services of Illinois
 The Cradle

Indiana

Adoptions of Indiana

Kansas

Adoption & Beyond, Inc.
 Christian Family Services of the Midwest, Inc.

Kentucky

All Blessings International, Inc.

Louisiana

St. Elizabeth Foundation

Maryland

Cradle of Hope Adoption Center
 Global Adoption Services, Inc.

Massachusetts

Curran Berget & Kludt, LLP
 The Alliance for Children, Inc.

Michigan

Adoption Associates
 Hands Across the Water

Minnesota

Children's Home Society & Family Services
 My Adoption Advisor, LLC
 New Horizons Adoption Agency, Inc.
 New Life Adoptions

Mississippi

New Beginnings International Children's & Family Services

Missouri

FosterAdopt Connect

New York

Adoptive and Foster Family Coalition of NY
 Adoptive Families
 Ashcraft Franklin Young & Peters, LLP
 Forever Families through Adoption, Inc.
 Spence-Chapin Services to Families and Children

North Carolina

Amazing Grace Adoptions
 Carolina Adoption Services
 Creating a Family
 Frank Adoption Center
 Hopscotch Adoptions, Inc.

Oklahoma

Dillon International, Inc.

Oregon

Oregon Post Adoption Resource Center

Pennsylvania

World Links International Adoption Agency

Rhode Island

Adoption Rhode Island

South Carolina

Thompson Dove Law Group, LLC

Tennessee

Miriam's Promise
 Small World Adoptions, Inc.

Texas

Aggieland Pregnancy Outreach
 Children of All Nations
 Hope Adoption, Inc.
 Legacy Adoption Services

Utah

Children's Service Society of Utah
 Forever Bound Adoption

Washington

Agape Adoptions
 Children's House International

Wisconsin

Catholic Charities of the Diocese of La Crosse
 Hoth Treatment Foster Home

Wyoming

Wyoming Children's Society

*Executive Committee Member

ADDITIONAL ORGANIZATIONS SUPPORTING

- United States Conference of Catholic Bishops